

Statement for the Record
of the
Children's Defense Fund
before the
House Budget Committee
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Chairman Nussle and Members of the Committee, thank you for the opportunity to present testimony on the challenges facing working families, struggling to make ends meet.

The Children's Defense Fund's (CDF) mission is to Leave No Child Behind® and to ensure every child a *Healthy Start*, a *Head Start*, a *Fair Start*, a *Safe Start*, and a *Moral Start* in life and successful passage to adulthood with the help of caring families and communities. CDF provides a strong, effective voice for *all* the children of America who cannot vote, lobby, or speak for themselves. We pay particular attention to the needs of poor and minority children and those with disabilities. CDF educates the nation about the needs of children and encourages preventive investment before they get sick, into trouble, drop out of school, or suffer family breakdown. CDF began in 1973 and is a private, nonprofit organization supported by foundation and corporate grants and individual donations. We have never taken government funds.

In less than the time it takes to read my testimony; another 14 infants will be born into poverty in America; another 10 without health insurance; and one more child will be neglected or abused. Every 44 seconds, a baby is born into poverty; every minute a baby is born without health insurance; every 11 minutes, a child is neglected or abused; and every 2 hours, 20 minutes, a child or youth is killed by guns in America.

These facts are not acts of God. They are our moral and political choices as men and women, as citizens and leaders. We can and must change them.

We are blessed to be living in a time of incredible opportunity and unprecedented prosperity. Yet despite living in the world's wealthiest, most powerful nation, millions of our children are still being left behind.

Every day, too many of our children have too little to eat and no place to sleep. According to the U.S. Department of Agriculture, 12 million children live in "food insecure" households, unable to afford adequate and nutritious food. About 3.6 million children live in households with "worst case" housing needs as defined by the U.S. Department of Housing and Urban Development. These are households where more than half their income is spent on rent or they live in severely substandard housing. Many are working families who are simply unable to make ends meet.

Every day, parents of the nearly 11 million children without health insurance worry about what to do when their child becomes sick. Ninety percent of these uninsured children have working parents. Uninsured children are far less likely to receive medical or dental care when they need it. They are far more likely to use hospital emergency rooms as a primary source of health care and too often fail to get adequate follow-up care or information on preventive measures or ways to manage chronic illnesses like asthma or diabetes.

Every week, nearly 7 million school-aged children are left alone without adult supervision or structured activities in the hours after their school day ends. While struggling to make it in the workforce, parents constantly worry about what is happening in those hours between 3 p.m. and 7 p.m. when violent juvenile crime rates peak and unsupervised children are more likely to be at risk of dangerous behaviors such as smoking, drinking, sex, or crime. Millions are also left without adult supervision during the summer months.

Safe, reliable child care enables parents to work and to become self-sufficient, but too few families have access to quality care or can afford its costs without assistance. Public funding for child care is so limited that only 12 percent of the families eligible for federal child care assistance receive help. Full day child care easily costs \$4,000 to \$10,000 a year, and the average annual cost of child care for a 4-year-old in an urban child care center is more than the average cost of public college tuition in all but one state. Working families pay 60 percent of the costs of child care. In contrast, for college, families on average only pay 35 percent of costs with the government or private sector picking up 65 percent of the cost. Head Start, one of the most successful early childhood programs, serves only three out of five eligible preschoolers.

Our nation is at a pivotal moral and economic point as we debate what kind of choices we will make to build a more just and compassionate society – one where no child is left behind. We have the know-how, the experience, tools, and resources to end child poverty and child suffering. And we have the responsibility as mothers, fathers, grandparents, and concerned and sensible citizens to act now.

We can build a nation where families have the support they need to make it at work and at home; where every child enters school ready to learn and leaves on the path to a productive future; where babies are likely to be born healthy and sick children have the health care they need; where no child has to grow up in poverty; where all children are safe in their community; and every child has a place to call home – and all Americans can proudly say “We Leave No Child Behind.”

More Poor Children Live in Working Families

One in six children – 12.1 million – live in poverty. Despite the recent (and welcome) drop in child poverty rates, children are more likely to be poor today in a time of unprecedented wealth than they were 20 or 30 years ago. In 1999, the overall child poverty rate was 16.9 percent; in 1979, 16.4 percent; and in 1969, 14 percent.

Seventy-eight percent of these poor children live in families where somebody worked all or part of the time -- up from 61 percent in 1993. The 1996 welfare legislation resulted in millions of families leaving welfare for work, but the supports for these struggling families have not been adequate to ensure their fragile hold in the workforce. Some families are better off today, but millions are not thriving and are struggling simply to survive. What will happen to these families as the economy cools down? What safety net will catch their children when welfare time limits are reached, businesses downsize, and layoffs hit the most vulnerable workers?

CDF has, for the past four years, conducted a community monitoring project to learn more about what was happening to families leaving welfare. We sought the help of more than 180 community agencies in 16 states, who by the end of 1999 had conducted interviews with more than 5,200 individuals. A CDF report issued in December 2000, *Families Struggling to Make it in the Workforce: A Post Welfare Report*, analyzed the responses of more than 2,000 parents seeking services at emergency shelters, food pantries, and other agencies. A copy of this report is submitted for the record. These families were among the poorest of the poor, often working but finding that low-wage work alone is not enough to fend off hardships. Specifically, we found that:

- More than half of those who left welfare since 1996 had left for a job, but a third no longer had a job;
- Lack of child care was the reason most often reported for not working;
- Nearly 60 percent of those who were working had family weekly wages below the poverty line; and
- More than half the employed parents had been unable to pay the rent, buy food, afford medical care, or had their telephone or electric service cut off.

We also found that education was a key factor in determining how families fare after welfare. Parents with at least a high school education were far more likely to be employed as those without at least this basic level of education. Those without a high school education also earned substantially less.

CDF's findings about hardships for low-income working families have been replicated in many other studies and reports in the last several years. Many of these studies were cited in the HHS Third Annual Report to Congress on TANF (August 2000). Most studies found that at least two-thirds of parents who left welfare worked at some point in the year before they were surveyed, but far fewer (between 35 and 40 percent) worked all four quarters. Last week, the Economic Policy Institute released a report that found families need an income of at least twice the federal poverty line in order to make ends meet. They found that nearly 30 percent of the families earning less than this level experienced at least one critical hardship such as being evicted, having utilities shut off, or not have access to medical care. Here are some examples of families struggling to make it:

- A North Carolina mother with an 11-year old daughter left welfare for a job. She worked 38 hours a week at \$6 an hour and was proud to have been named employee of the month. But then she lost her housing and was living in a transitional homeless shelter with her daughter. She had no health insurance. She earned a few dollars more than the official poverty line but not enough to meet basic needs. Should a parent working hard every day be unable to find a decent, stable place to live with her child?
- Many of us read with dismay a *New York Times* story of a 55 year old grandmother trying to care for her four grandchildren. She struggled to deliver them clean, fed, and in uniforms to their Manhattan public school, starting each day from a different homeless shelter. The grandmother, who had worked at a low-wage supermarket job, had been unable to get a voucher for child care because she was not on welfare. She tried to make ends meet by adding a shift as a hospital aide, but when her health failed, the family began to fall further and further into a bottomless pit without a home. Should a grandparent, struggling to keep her grandchildren together, not have the support she needs?

- I heard in Texas a mother earning \$8 an hour with no health insurance describe her stressful dilemma when her daughter woke her up in the middle of the night gasping for breath saying her inhaler was broken. The mother had to debate whether to rush her child to the emergency room or to an all-night drugstore for an over-the-counter remedy she prayed would work. She realized later that for \$88 – the estimated cost of an emergency room visit -- she was gambling with her child's life. Should any parent or child face this draconian choice in a rich America?
- A Colorado newspaper story profiled a young mother who lost Medicaid because she bought a car to transport her six-year old asthmatic daughter during the cold winter months. Before she purchased the car, she and her daughter had to leave home at 6:30 a.m., take light rail and then a bus to get to day care and work. In winter, she saw her daughter getting sicker, with hospital visits every other month. Concerned that exposing her child to the cold during their daily journey was increasing her health problems, she bought the car, not knowing that in her state acquiring an asset worth more than \$1500 would mean she would lose her child's health insurance. Should a mother have to make this kind of choice?

Despite their best efforts, the paychecks of these families do not stretch far enough to feed, clothe, and shelter their children. Working in low-wage jobs, these parents cannot afford child care or health coverage, benefits that rarely come with their employment. Without stable child care or transportation to get to their jobs, they risk unemployment and further hardships for their children and families.

If low-income families leaving welfare or trying to stay off of welfare are going to make it in the workforce, they need help. Working parents need child care, health care, transportation, housing, and other supports to meet the basic needs of their families. *Our community monitoring report found that those families who worked and received health coverage, child care assistance, and food stamps were more likely to maintain consistent and stable employment and were less likely to lose a job.* They were also less

likely to suffer hardships like the inability to pay for food, rent, or utilities and were much more likely to report ongoing improvements in family well-being.

What we need to do is make the smart investments in supports for low-income working families to enable them to lift their children out of poverty and make it in the workforce. But we can't do it piecemeal. Children don't come in pieces and the solutions to the problems low-income working families face must be addressed comprehensively. We need to renovate the whole national house for our children – not just the individual rooms that are in serious disrepair.

The Act to Leave No Child Behind

CDF has worked closely with members of Congress and a wide range of children's advocates to craft legislation that combines the best ideas, policies, practices, and approaches into one comprehensive measure, the Act to Leave No Child Behind (H.R. 1990/S. 940). It was introduced in May by Representative George Miller (D-CA) and Senator Chris Dodd (D-CT). There are currently 67 cosponsors in the House and 7 in the Senate. The Act has already been endorsed by nearly 200 organizations. The Act would –

- Ensure health coverage for all of the 10.8 million uninsured children and for uninsured parents
- Lift every child from poverty in the next ten years
- End child hunger through the expansion of food programs
- Get every child ready for school through full funding of quality Head Start and child care and funds for preschool programs
- Make sure every child can read by the fourth grade and can graduate from school able to succeed at work and in life
- Provide every child safe, quality after-school and summer programs so that children can learn, serve, work, and stay out of trouble
- Ensure every child a place called home and decent affordable housing

- Protect all children from neglect, abuse, and violence and ensure them the treatment they need
- Ensure families leaving welfare the supports needed to be successful in the workplace, including health care, child care, and transportation

We could fund the entire Act to Leave No Child Behind for far less than the \$1.3 trillion spent on the recently enacted tax bill. As Congress continues to debate and revise its budget decisions, it must focus on where our national priorities lie – with the investments needed to help hard-working families and their children or in tax breaks for those in the highest income levels, who have benefited enormously during the economic growth of the 1990s while families in lower brackets have either seen their incomes stagnate or decline in real dollars.

Opportunities to Invest in Working Families and Their Children Right Now

In the coming months, Congress will have the opportunity to act on a number of key initiatives included in the Act to Leave No Child Behind that address many of the needs of working families. CDF urges you to seize this opportunity to move forward quickly on a positive agenda to meet the urgent needs of America's children and families. Specific areas for immediate action include:

- ***Health Coverage for Uninsured Children and Their Parents and Other Pending Health Measures.*** Congress included funds in the FY 2002 Budget Resolution that would allow enactment of several important pending measures to extend health care to uninsured children in low-income families and to many of their parents. Congress should quickly enact the Family Care Act (H.R. 2630) and provide health coverage for parents of children already enrolled in Medicaid and Children's Health Insurance Program (CHIP), simplify outreach and enrollment for the CHIP and Medicaid programs, and remove barriers such as asset tests for Medicaid coverage. Congress should also lift the ban on covering legal immigrant children and pregnant women under CHIP and Medicaid by passing the Legal Immigrant Children's Health

Improvement Act (H.R. 1143). In addition, Congress should enact the Family Opportunity Act (H.R. 600), a bill with broad bipartisan support in this committee, that will give states the option of allowing families to purchase Medicaid's comprehensive coverage for children with disabilities. These are important first steps towards ensuring health coverage for all of America's nearly 11 million uninsured children.

There also are important provisions in pending patients' bill of rights legislation that affect health coverage for children. As the House considers this legislation, it is essential that it contain strong enforcement provisions and pediatric protections for children enrolled in managed care programs, like those included in the Bipartisan Patient Protection Act, H.R. 2563, and S. 1052 passed by the Senate, which include ensuring families the right to designate pediatricians as their children's primary care providers, guaranteed access to pediatric specialists, and the use of pediatric-specific criteria in evaluating needed or appropriate care. Working families need to know that when they have health coverage for their children, they will be able to access needed care. Congress should guarantee these protections.

- ***Food Stamp Provisions in the Farm Bill Reauthorization.*** CDF's community monitoring report, like other recent studies, found that many low-income working families lose food stamp benefits as they leave welfare although they remain eligible because of their low-level of earnings. As the House and Senate Agriculture Committees begin developing a new farm bill, we believe it is important to include food stamp program changes to ensure low-income families the help needed to provide adequate nutrition for their children. CDF's community monitoring report found that families receiving food stamps were much less likely to encounter difficulties buying food for their families.

We urge Congress to act favorably on the measures proposed in title VI of the Act to Leave No Child Behind. These reforms include:

- making it easier for low income families to continue to receive food stamps when they leave welfare for work by allowing states to provide six months of transitional food stamps benefits;
- making the food stamp benefit more responsive to larger families and to inflation by changing the standard deduction;
- restoring food stamp eligibility for legal immigrant families including children who arrived in the U.S. after enactment of the 1996 welfare legislation;
- removing the current cap on excess shelter costs for non-elderly households;
- including child support payments as part of the earned income deduction for food stamp benefit levels; and
- decreasing bureaucratic barriers to enable working families to receive food stamp benefits. These include reducing the number of office visits, encouraging phone, mail, or on-line verification procedures, and the use of redetermination rather than recertification requirements consistent with the approach now used for the Medicaid, CHIP, SSI, and other means-tested programs.

The proposed changes also would revise the current quality control penalty structure to encourage states to serve all eligible families and provide incentives for states that improve their services for working families.

- ***FY2002 Labor-HHS Appropriations Bill and Other Funding Issues.*** During its consideration of the FY2002 Labor-HHS Appropriations Bill, Congress will be able to make urgently needed investments in vastly underfunded children's programs. We urge Congress to increase funding for the Child Care and Development Block Grant program by \$1 billion in FY 2002 to provide vitally needed child care services to 246,000 more children and provide a \$1 billion increase for Head Start to move us closer to our goal of serving all eligible children. We also urge you to increase investments in immunizations and child protection. Child welfare programs are funded far below the levels needed to meet the needs of troubled families and children. The President's request for increased funding for the Promoting Safe and Stable Families Program and support for young people leaving foster care who are

pursuing college or vocational training (also included in the Act to Leave No Child Behind) should be acted on promptly. Funding for the Social Services Block Grant must also be restored.

There are many other urgent child investment issues addressed in the Act to Leave No Child Behind that will help working families survive and thrive. Other provisions would strengthen supports for these families through approaches such as child support enforcement, minimum wage increases, living wage initiatives, unemployment insurance coverage reforms, and a significant number of changes to the Temporary Assistance for Needy Families (TANF) program to help parents both move off welfare into the workforce and lift their children out of poverty. I urge the Committee to look closely at each title of the Act as you focus on how we address the challenges facing working families.

Never has there been a better time to seize the mantle of leadership and build a nation worthy of its promise for all of our children. There is no excuse. We can not let the words “leave no child behind” become a fig leaf for unjust political and policy choices. Children cannot eat words and phrases. They need concrete action. It is in our hands to make sure that as America moves forward, we leave no child behind.